CALIFORNIA COASTAL COMMISSION

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Tu12a

June 12, 2000

To: Coastal Commissioners and Interested Parties

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Subject: Addendum to Item Tu12a

Coastal Development Permit Application E-98-027/Consistency Certification

CC-041-00

The following are proposed clarifications to the staff report for coastal development permit application E-98-027 and consistency certification CC-041-00 (PC Landing and PAC Landing Corporations). The changes are illustrated by strikethroughs for deletions and underlining for additions.

On June 8, 2000, the applicant submitted a letter regarding, among other issues, the feasibility of a land-based route. Staff has not had sufficient opportunity to review and analyze it prior to the publication of this addendum.

Section 4.2 on page 19 should read:

4.2 Prior Fiber Optic Cable Projects Approved by Coastal Commission

Three existing undersea AT&T fiber optic cables extend from a landing site at the Montana de Oro State Park Sandspit Road parking lot-to-Hawaii. Two cables extend to Hawaii. The third cable travels north along the California coastline to Bandon, Oregon before heading west to Japan. The Coastal Commission approved the installation, operation, and maintenance of one cable and four conduits (#4-91-61) ¹, HAW-5, in January 1992, and the remaining two cables, TPC5-T1 and TPC5-G (#4-91-006-A1), in September 1994. In April 2000, the Coastal Commission approved the installation of two fiber optic cables within State waters by MFS Globenet and MCI WorldCom (E-99-011) off of Montana de Oro State Park.

The first paragraph on page 25 should read:

Coastal-Dependency

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¹ In exchange for the granting of cable easements through Montana de Oro State Park, AT&T agreed to construct the Sandspit Road parking lot and day use amenities. These facilities are owned and maintained by the California Department of Parks and Recreation.

The PC-1E cable is proposed to connect telecommunications facilities in Grover Beach to facilities in Harbour Point, Washington. The PAC-1 cable is to be routed from Grover Beach to Panama with secondary cables to Tijuana; and Mazatlan, Mexico. As such, the proposed submarine cable segments are to parallel the California coastline. These cables could be placed on land and inland of the coastal zone. The PC-1E and PAC-1 cables are therefore not coastal-dependent since they do not require "site on, or adjacent to, the sea to be able to function at all as defined in Coastal Act Section 30101. Although a land-based cable system is not the applicants' preference, it is feasible to locate these proposed cables on land. Thus, the Commission finds that the proposed PC-1E and PAC-1 cables do not qualify as coastal-dependent industrial facilities pursuant to section 30233(a)(1).

The fourth paragraph on page 28 should read:

The Commission staff requested additional information on April 26, 2000 regarding the feasibility of installing multiple cables within a common trench and relying on a common regeneration facility, the estimated overall cost to develop a terrestrial cable, and federal and state policies on installing cable along highway rights-of-way. The applicants provided the following a responses on May 2, 2000. Redundant paths cannot be constructed in the same trench or in any way share facilities with each other and retain redundancy for they would be subject to the same failures. The estimated overall cost to develop a terrestrial cable route is \$250,000 per mile. The Federal Highway Administration has delegated to state highway agencies discretionary authority to accommodate longitudinal utility installations. According to the California Department of Transportation, placement of longitudinal utilities encroachments within freeway ROW is prohibited except in extreme cases. New public utility facilities may be placed within the ROW of frontage roads or parallel roads outside the access control of the freeway ROW.

On May 23, 2000, Commission staff submitted another request to the applicants for additional information on terrestrial failure rates, the feasibility and potential impacts of installing cables on other land-based routes in their entirety such as along railroads and Highway 101, federal regulations governing use of highway right of ways, and the applicants ownership or interests in terrestrial based fiber optic cable systems. The Commission staff received an electronic mail response regarding federal regulations (May 24, 2000; see above) and discussed with the applicants their ownership interest in Frontier, a small, land-based system, but received the balance of the information on May 31, 2000. The Commission staff did not have sufficient opportunity to review and analyze this information before the publication of this report on June 1, 2000.

Subsequent to this date, staff has had an opportunity to review this response. In its response, the applicants state that they do not own or lease any existing ROW or infrastructure on the west coast from Grover Beach to Seattle. They do have rights to use capacity within an existing fiber optic cable network running from Grover Beach to Seattle, inherited in its purchase of Frontier Telecommunications in September 1999. However, according to the applicants, this capacity is not technologically or practically compatible with the capacity that PC-1 proposes to accommodate. With respect to using or acquiring ROW along railroad corridors, the applicant

asserted that project construction within railroad ROWs is "hampered" by the presence of existing utilities and the potential for damage from construction to these existing utilities. Along Highway 101, adjacent steep slopes may not provide off-pavement ROW in which utilities can be constructed without risk of slope failure and resultant cable damage. Even though a terrestrial route to Mexico was addressed in the MND, the applicants maintain that "international politics and the internal culture and politics of each country it traverses" would render the route unreliable and thus infeasible. In response to the possibility of sharing trenches with other cable projects, the applicants state that this scenario "would provide an economical advantage to those companies that have pre-existing conduit...at the expense of newer telecommunications businesses." Finally, the applicants provided a cable failure rate analysis that concludes that the rate of terrestrial failures are 6.3 to 37.8 times higher than submarine cable failure rates.²

In order to determine the least environmentally damaging alternative for the proposed project, a comparison of the degree of offshore impacts with onshore impacts is appropriate. This staff report identifies potential impacts of the proposed project to marine resources, including but not limited to, marine mammals and infauna and epifauna organisms that reside in or on seafloor substrates, water quality, commercial and recreational fishing, air quality, public access and recreation, and cultural resources. With respect to previously permitted fiber optic cable projects, the Commission has found that, as conditioned, the projects will be carried out in a manner that maintains marine resources and sustains the biological productivity and quality of coastal waters and therefore is consistent with sections 30230 and 30231 of the Coastal Act. The Commission also has found that the projects will protect against the spillage of petroleum products and be consistent with air pollution control requirements.

The land-based alternative found in the MND discusses potential environmental impacts to onshore resources. For example, soil erosion, destabilization, and compaction could result from construction activities such trenching; ROW preparation and construction may temporarily disturb common and/or sensitive vegetation; wildlife mortality may result from habitat degradation in less disturbed construction sites; cable trenching and vegetation removal may increase or contribute to sedimentation in streams; during directional boring, bentonite could be accidentally released into waterways and; construction within nearby riparian corridors and wetlands could disturb these resources. However, with respect to every potential impact identified in the MND an associated mitigation measure is identified. Some of these include: construction can be halted when rainfall or flooding results in saturated soils; sensitive plant species can be identified, flagged, and avoided; the routes can be realigned to avoid mature trees and sensitive species; construction buffer zones can be used to protect wildlife species; erosion control measures along streams can be implemented; bentonite would be constantly monitored to detect releases and; wetland areas can be directionally bored.

Although the MND does not conclude whether or not the listed potential impacts are significant or whether the associated mitigation measures can reduce the impacts to levels of insignificance, as stated above, the applicants assert that, generally speaking, potential significant impacts of a land-based route can be mitigated to insignificant levels by implementing all feasible mitigation

² The applicant states that the assertion that terrestrial failures are 10 to 100 times more frequent than submarine failures was "a rough estimate". It should be noted that AT&T also cites and relies on this failure statistic.

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measures. Moreover, the potential onshore impacts presented in the applicants' land-based alternatives analysis are purely speculative and without site-specific supporting documentation. For example, the mere existence of streams or wetlands within an onshore route does not, by itself, mean that actual significant impacts, especially when mitigated, of an onshore route will occur to those resources. The same argument applies to the existence of sensitive plant or animal species, wetlands, and other resources along a cable route. Thus, the Commission is left with comparing hypothetical potential impacts to impacts identified in the MND for the proposed project. A closer examination of route-specific resources may, in fact, reveal that any potential significant impacts can be mitigated to insignificant levels. However, the Commission does not have this information.

Moreover, the applicants' May 31, 2000 responses, as summarized above, to staff questions regarding alternative land-based routes along Highway 101 or railroad corridors were inadequate. The applicants did not sufficiently analyze these alternatives in detail nor did they provide an environmental impact analysis. Instead, the information provided was speculative and unsubstantiated. For example, with respect to the use of railroad corridors, the applicants only address the existence of numerous utilities along these corridors and the need to maintain adequate separate distance and the possibility of damaging these utilities. It is the Commission understanding that land-based fiber optic cable projects in California have been successfully permitted along railroad ROWs. Moreover, regarding a land-based route to Mexico, the applicants state that "international politics and internal culture and politics" would compromise the reliability of such routes without providing any elaboration or references. Along Highway 101, the applicants assert, without substantiation, that adjacent steep slopes do not provide offpavement ROW in which utilities can be constructed. Because the applicants' proposed landbased route is merely hypothetical, a detailed investigation of alternative routes is appropriate to determine if there exists other less environmentally damaging routes. Unfortunately, the information provided was not adequate for the Commission to make this determination.

Therefore, the Commission has determined that there is insufficient evidence in the record to find that the offshore route is the least environmentally damaging alternative. Thus, the Commission finds that portion of the proposed project consisting of the PC-1E and PAC-1 cable systems are inconsistent with Coastal Act section 30233.